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**Chevron**

November 24, 1997

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Jeet S. Bindra  
President  
(510) 842-6968

Attention: Rules Processing Team

**Notice of Proposed Rulemaking  
"Oil and Gas and Sulphur Operations in the Outer Continental Shelf"**

Dear Sir or Madam:

Chevron Pipe Line Company (CPL) submits the following recommendations (see below) on the Notice of Proposed Rulemaking (NPRM) "Oil and Gas and Sulphur Operations in the Outer Continental Shelf (OCS) published in the Federal Register on October 2, 1997."

CPL applauds the efforts that the Department of the Interior (DOI) has made to eliminate the confusion and duplicative regulations and allowing OCS pipelines and facilities to operate under one agency. We fully support DOI's NPRM in reducing the burden and associated costs of dual regulatory authority for OCS pipelines.

However, CPL believes the NPRM doesn't provide the OCS operators the opportunity to petition for exception to remain under DOT jurisdiction. See CPL's recommendations below

CPL's Recommendations

DOI's NPRM doesn't appear to allow OCS producer operated pipelines to remain under the Department of Transportation (DOT) jurisdiction. For example, producer pipelines crossing the OCS/state boundary may be subject to DOT jurisdiction on that portion that is not on the OCS. Instead of dual jurisdiction, the producer may prefer for the entire pipeline to remain under DOT jurisdiction.

CPL recommends that the NPRM be revised to allow this option. The procedure for obtaining a petition for exception under 30 CFR 250.151 (c)(4) appears to be limited to issues involving the identification of the transfer point and not the situation described above. To avoid the same pipeline be subject to dual requirements, CPL suggests the following language (*italic*) be added to the MMS regulations that would allow the operator (producing) to operate the MMS portion under DOT regulations:

30 CFR 250.151 (c)(4)

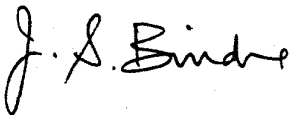
*Operators may petition, by letter, the MMS Regional Supervisor for exceptions to allow pipelines that depart the OCS that are subject to DOT regulations for that portion not on the OCS to continue to operate that portion on the OCS under DOT regulations. Furthermore, operators may petition, by letter, the MMS Regional Supervisor for exceptions to the general operations transfer point description on a facility-by-facility or an area-by-area basis. The Regional Supervisor, in consultation with the OPS Regional Director and affected parties, may grant such exceptions.*

Although the Preamble acknowledges that the MMS Supervisor for Field Operations, may grant alternatives under 30 CFR 250.3, CPL recommends that this section of the regulations specifically provide operators the opportunity to request a waiver and/or departure for pipelines previously subject to DOT regulations. There will be cases where, moving from DOT regulations to MMS regulations may cause undue hardship, e.g. for pipelines operating under MMS requirements for high pressure shutdown settings (15% above normal operating pressure range) and not DOT (10% above MAOP) may involve throughput reduction to meet MMS requirements. This change may appear to be minor, but decreasing throughput capacity will be a major economic impact to the operators.

We welcome the opportunity to provide additional information and recommendations on this NPRM. CPL is willing to participate in any efforts to negotiate the outcome of this NPRM that will be mutually beneficial to you and the industry. These comments are in line with those submitted by our affiliate company, Chevron U.S.A. Production Company.

If you have any questions or need further information, please contact Gary M. Saenz @ (510) 842-6875.

Sincerely,



cc: Mr. C.W. Anderson - Minerals Management Services, DOI  
Ms. L.E. Herrick - Office of Technology and Standards, RSPA